

The complaint

Mr N complains that Barclays Bank UK PLC (“Barclays”), have failed to refund money that he says he lost as part of an investment scam.

What happened

Mr N says that his cousin came across an opportunity to purchase gold at a discounted price. He then made over 30 payments, via a third-party remittance website and directly to his cousin’s overseas bank account, totalling over £80,000. This took place in 2021.

Mr N says that the gold that he had purchased did not arrive.

Some years later Mr N raised a complaint with Barclays, as he believed that it should have stopped him from making the payments in question.

One of our investigators looked into this matter and they decided that had Barclays intervened it would not have uncovered the scam, as Mr N’s cousin was involved who had apparently personally flown to the country the Gold was being purchased from and was involved in the Gold industry himself.

Mr N did not agree with these conclusions. So his complaint has been passed to me to issue a final decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that Barclays is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Barclays should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Barclays sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Firstly, I should explain that I do not think that there is sufficient evidence that Mr N was actually scammed nor is there enough evidence to demonstrate the actual extent of Mr N's loss. All I can see is a series of payments to a company that Mr N had frequently sent payments to and some payments directly to his cousin. There is little to show that the payments were actually sent on to a third party or that the third party was a scammer, apart from a spreadsheet that Mr N has provided.

The contract that Mr N has provided is handwritten and seems to suggest that Mr N was going to receive £720,000 in return for around £80,000 that he'd paid to the scammer. This contradicts with the testimony that Mr N was going to receive less than £10,000 profit for the deal. Given the minimal available evidence, and as the evidence I have been provided with is contradictory, this sheds some doubt on what Mr N has set out.

I note that there are extracted messages between him and his cousin, but I do not think that they are sufficient to demonstrate the extent of Mr N's loss. I also note that the chat starts towards the end of the disputed payments. So I don't think that there is enough for me to say that Mr N was scammed or the extent of his loss.

However, even were I satisfied that Mr N demonstrated his loss and that the payments referred to were part of the scam in question, I do not think that Barclays could have uncovered the scam. Had Barclays intervened, it would have likely only have found out that Mr N was sending money to purchase Gold. And to demonstrate this, I think Mr N would've likely made Barclays aware, that the Gold had been personally inspected by Mr N's cousin, who worked in the Gold industry, and he had photographic proof of this. So it would not have been able to say that Mr N was likely being scammed.

At most, Barclays could have provided a warning that purchasing large amounts of Gold from the country in question carried risk. But I think that both Mr N and his cousin should have been aware of this in the first place and as they chose to go ahead with the purchase, despite this apparent risk, I can't see how an additional warning would have stopped Mr N from making the payments.

So given all of this, I am unable to direct Barclays to refund the transactions in question.

I've also thought about whether Barclays did enough to attempt to recover the money Mr N lost. In this instance, given the timescales involved, I do not think that there was any reasonable prospect of Barclays recovering the funds from where they were sent. Nor are the payments covered under the Contingent Reimbursement Model given where the payments were sent.

I appreciate this will likely come as a disappointment to Mr N, and I'm sorry to hear he may've been the victim of a scam. However, I'm not persuaded that Barclays can fairly or reasonably be held liable for his losses in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 15 April 2026.

Charlie Newton
Ombudsman